

House File 2510 - Introduced

HOUSE FILE _____
BY MAY

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a property tax limitation for certain elderly
2 persons, providing a penalty, and including an applicability
3 provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6129HH 82
6 sc/mg/5

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1 1 Section 1. NEW SECTION. 425B.1 HOMESTEAD PROPERTY TAX
1 2 ADJUSTMENT.
1 3 Persons who own their homesteads and who meet the
1 4 qualifications provided in this chapter are eligible for an
1 5 adjustment in the amount of property taxes due and payable on
1 6 their homesteads, as provided in this chapter.
1 7 Sec. 2. NEW SECTION. 425B.2 DEFINITIONS.
1 8 As used in this chapter, unless the context otherwise
1 9 requires:
1 10 1. "Base year" means the calendar year last ending before
1 11 the claim is filed.
1 12 2. "Claimant" means a person filing a claim for adjustment
1 13 under this chapter who has attained the age of sixty-five
1 14 years on or before December 31 of the base year and is
1 15 domiciled in this state at the time the claim is filed or at
1 16 the time of the person's death in the case of a claim filed by
1 17 the executor or administrator of the claimant's estate.
1 18 3. "Homestead" means the dwelling owned and actually used
1 19 as a home by the claimant during any part of the fiscal year
1 20 beginning July 1 of the base year, and so much of the land
1 21 surrounding it including one or more contiguous lots or tracts
1 22 of land, as is reasonably necessary for use of the dwelling as
1 23 a home, and may consist of a part of a multidwelling or
1 24 multipurpose building and a part of the land upon which it is
1 25 built. It does not include personal property except that a
1 26 manufactured or mobile home may be a homestead. Any dwelling
1 27 or a part of a multidwelling or multipurpose building which is
1 28 exempt from taxation does not qualify as a homestead under
1 29 this chapter. A homestead must be located in this state.
1 30 When a person is confined in a nursing home, extended-care
1 31 facility, or hospital, the person shall be considered as
1 32 occupying or living in the person's homestead if the person is
1 33 the owner of the homestead and the person maintains the
1 34 homestead and does not lease, rent, or otherwise receive
1 35 profits from other persons for the use of the homestead.
2 1 4. "Owned" means owned by an owner as defined in section
2 2 425.11.
2 3 Sec. 3. NEW SECTION. 425B.3 QUALIFYING FOR ADJUSTMENT ==
2 4 FILING OF CLAIM.
2 5 1. A person who wishes to qualify for the property tax
2 6 adjustment allowed under this chapter shall obtain the
2 7 appropriate forms for filing for the adjustment from the
2 8 county auditor or county treasurer. The person claiming the
2 9 adjustment shall file a verified statement and designation of
2 10 homestead with the auditor for the year for which the person
2 11 is first claiming the adjustment. The claim shall be filed
2 12 not later than July 1 of the year for which the person is
2 13 claiming the adjustment. A claim filed after July 1 of the
2 14 year for which the person is claiming the adjustment shall be
2 15 considered as a claim filed for the following year.
2 16 2. Upon the filing and allowance of the claim, the claim
2 17 shall be allowed on that homestead for successive years
2 18 without further filing as long as the property is legally or
2 19 equitably owned and used as a homestead by that person or that

2 20 person's spouse on July 1 of each of those successive years,
2 21 and the owner of the property being claimed as a homestead
2 22 declares residency in Iowa for purposes of income taxation,
2 23 and the property is occupied by that person or that person's
2 24 spouse for at least six months in each of those calendar years
2 25 in which the fiscal year begins. When the property is sold or
2 26 transferred, the buyer or transferee who wishes to qualify
2 27 shall refile for the adjustment. An owner who ceases to use a
2 28 property for a homestead or intends not to use it as a
2 29 homestead for at least six months in a calendar year shall
2 30 provide written notice to the assessor by July 1 following the
2 31 date on which the use is changed. A person who sells or
2 32 transfers a homestead or the personal representative of a
2 33 deceased person who had a homestead at the time of death,
2 34 shall provide written notice to the auditor that the property
2 35 is no longer the homestead of the former claimant.

3 1 3. The right to file a claim for a property tax adjustment
3 2 under this chapter may be exercised by the claimant or on
3 3 behalf of a claimant by the claimant's legal guardian, spouse,
3 4 or attorney, or by the executor or administrator of the
3 5 claimant's estate. If a claimant dies after having filed a
3 6 claim for adjustment, the amount of any adjustment shall be
3 7 made as if the claimant had not died.

3 8 Sec. 4. NEW SECTION. 425B.4 VERIFICATION OF CLAIMS.

3 9 The auditor shall retain a permanent file of current
3 10 property tax adjustment claims filed in the auditor's office.
3 11 The auditor shall file a notice of transfer of property for
3 12 which a claim is filed when notice is received from the office
3 13 of the county recorder.

3 14 The county recorder shall give notice to the auditor of
3 15 each transfer of title filed in the recorder's office. The
3 16 notice shall describe the property transferred, the name of
3 17 the person transferring the title to the property, and the
3 18 name of the person to whom title to the property has been
3 19 transferred.

3 20 Not later than July 6 of each year, the auditor shall remit
3 21 the statements and designation of homesteads to the board of
3 22 supervisors with the auditor's recommendation for allowance or
3 23 disallowance. If the auditor recommends disallowance of a
3 24 claim, the auditor shall submit the reasons for the
3 25 recommendation, in writing, to the board of supervisors.

3 26 The board shall allow or disallow the claims. If the board
3 27 disallows a claim, the board shall send written notice, by
3 28 mail, to the claimant at the claimant's last known address.
3 29 The notice shall state the reasons for disallowing the claim
3 30 for the property tax adjustment. The board is not required to
3 31 send notice that a claim is disallowed if the claimant
3 32 voluntarily withdraws the claim.

3 33 Sec. 5. NEW SECTION. 425B.5 ADJUSTMENT OF TAX DOLLARS
3 34 LEVIED == CREDIT ALLOWED.

3 35 1. a. The adjustment allowed under this chapter shall be
4 1 the amount computed in this section.

4 2 b. The county auditor shall determine the lesser of the
4 3 following:

4 4 (1) The product of the taxes due and payable on the
4 5 homestead in the previous fiscal year, excluding any
4 6 adjustment made under paragraph "c" for the previous fiscal
4 7 year, times one and two hundredths.

4 8 (2) The taxes due and payable by the claimant in the
4 9 current fiscal year.

4 10 c. If the lesser amount is the amount computed in
4 11 paragraph "b", subparagraph (1), the difference between the
4 12 amount in paragraph "b", subparagraph (2) and the amount in
4 13 paragraph "b", subparagraph (1), shall be the amount of the
4 14 property tax adjustment for the current fiscal year.

4 15 2. The amount of the property tax adjustment shall appear
4 16 as a credit on the claimant's property tax statement for the
4 17 current fiscal year.

4 18 Sec. 6. NEW SECTION. 425B.6 ADMINISTRATION.

4 19 The director of revenue shall make available suitable forms
4 20 for claiming property tax adjustments with instructions for
4 21 claimants. Each auditor and county treasurer shall make
4 22 available the forms and instructions. The claim shall be in a
4 23 form as the director may prescribe.

4 24 Sec. 7. NEW SECTION. 425B.7 PROOF OF CLAIM.

4 25 Every claimant shall give the county auditor, in support of
4 26 the claim, reasonable proof of:

4 27 1. Age.

4 28 2. Changes of homestead.

4 29 3. Household membership.

4 30 4. Size and nature of the property claimed as the

4 31 homestead.

4 32 The county auditor may require any additional proof
4 33 necessary to support a claim.

4 34 Sec. 8. NEW SECTION. 425B.8 AUDIT == DENIAL.

4 35 If on the audit of a claim for adjustment under this
5 1 chapter, the director of revenue determines the claim is not
5 2 allowable, the director shall notify the claimant of the
5 3 denial and the reasons for it. The director shall not deny a
5 4 claim after three years from October 31 of the year in which
5 5 the claim was filed. The director shall give notification to
5 6 the county auditor of the denial of the claim and the county
5 7 auditor shall instruct the county treasurer to proceed to
5 8 collect the tax that would have been levied in the same manner
5 9 as other property taxes due and payable are collected, if the
5 10 property on which the adjustment was granted is still owned by
5 11 the claimant.

5 12 Sec. 9. NEW SECTION. 425B.9 FALSE CLAIM == PENALTY.

5 13 A person who makes a false affidavit for the purpose of
5 14 obtaining an adjustment in property taxes provided for in this
5 15 chapter or who knowingly receives the adjustment without being
5 16 legally entitled to it or makes claim for the adjustment in
5 17 more than one county in the state without being legally
5 18 entitled to it is guilty of a fraudulent practice. The claim
5 19 for adjustment shall be disallowed in full and property tax
5 20 shall be levied in the amount that would have been levied but
5 21 for the adjustment. The director of revenue shall send a
5 22 notice of disallowance of the claim.

5 23 Sec. 10. NEW SECTION. 425B.10 STATUTES APPLICABLE.

5 24 To the extent not otherwise contrary, the provisions of
5 25 sections 425.30, 425.31, 425.32, and 425.37 apply to this
5 26 chapter.

5 27 Sec. 11. STATE FUNDING OF TAX CREDITS AND EXEMPTIONS ==
5 28 INAPPLICABILITY. The provisions in section 25B.7, relating to
5 29 the obligation of the state to reimburse local jurisdictions
5 30 for property tax credits and exemptions, do not apply to
5 31 chapter 425B, as enacted in this Act.

5 32 Sec. 12. APPLICABILITY. This Act applies to property
5 33 taxes due and payable in the fiscal year beginning July 1,
5 34 2009, and all subsequent fiscal years.

5 35 EXPLANATION

6 1 This bill provides for an adjustment in the amount of
6 2 property taxes due and payable on a homestead if the owner is
6 3 a person who is 65 or older. If that qualification is met,
6 4 the taxes levied on the homestead shall not increase by more
6 5 than 2 percent over the previous fiscal year.

6 6 The bill provides that the provision in Code section 25B.7
6 7 that requires the state to fund reimbursement for property tax
6 8 credits and exemptions does not apply to the adjustment in
6 9 taxes provided for in the bill.

6 10 The bill applies to property taxes due and payable in the
6 11 fiscal year beginning July 1, 2009, and subsequent fiscal
6 12 years.

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